

### **286.1-013 Financial Institutions Board -- Duties.**

- (1) There is created a Financial Institutions Board. The board shall consist of twelve (12) members appointed by the Governor who shall serve terms of four (4) years, except the initial terms shall be established as hereafter provided. It is recommended that the board appointments made by the Governor be selected from the following:
  - (a) Three (3) members selected from the banking industry regulated by the office with appropriate recognition as to bank size and geographic diversity;
  - (b) Three (3) members selected from the broker/dealer securities industry regulated by the office;
  - (c) One (1) member selected from the credit union industry regulated by the office;
  - (d) One (1) member selected from the consumer finance or industrial loan industry regulated by the office;
  - (e) Three (3) members selected from the public at large who are knowledgeable concerning financial institutions, the legislative process and consumer interests, two (2) of whom are not employees, officers, or directors of any financial institution; and
  - (f) The executive director, who shall also serve as chairman of the board.
- (2) All members of the board from the banking industry, securities industry, credit union industry, consumer finance, or industrial loan industry shall be persons with practical experience in the industry so represented and currently serving at the executive level of that industry at the time of their appointment.
- (3) At the first meeting of the board, a drawing by lot shall be conducted to determine the length of each original member's term. Initially, there shall be four (4) four (4) year terms, five (5) three (3) year terms, and two (2) two (2) year terms. Vacancies in the membership of the board shall be filled in the same manner as original appointments. Appointments to fill vacancies occurring before the expiration of a term shall be for the remainder of the unexpired term.
- (4) No member of the board, other than the executive director, shall serve more than two (2) consecutive terms on the board.
- (5) The board shall first meet at the call of the Governor and thereafter as the chairman shall determine at a time and place determined by the chairman. The board may elect other officers for the conduct of its business. A majority of board members shall constitute a quorum, and a decision shall require the majority vote of those present. Each board member shall have one (1) vote, and voting by proxy shall be prohibited.
- (6) Board members shall receive one hundred dollars (\$100) per diem for each board meeting which they attend and shall be reimbursed for other reasonable and necessary expenses incurred while engaged in carrying out the duties of the board.
- (7) The board shall:

- (a) Prepare and submit at the Governor's request a list of candidates qualified to serve as executive director and recommend to the Governor a proposed salary for each nomination for executive director;
  - (b) Recommend to the Governor a proposed salary structure for other office staff in order to provide competitive salaries for recruitment and retention of staff;
  - (c) Receive and comment on various reports relating to the office and its activities as submitted to the board by the executive director or the Governor; and
  - (d) Review, consider and make recommendations to the executive director on any matters referred to the board by the executive director or the Governor.
- (8) In no event shall the board or its members interfere with the statutory duties of the executive director whose decisions shall be governed by law.

**Effective:** July 12, 2006

**History:** Amended 2006 Ky. Acts ch. 183, sec. 3, effective July 12, 2006. -- Amended 1998 Ky. Acts ch. 196, sec. 2, effective July 15, 1998. -- Amended 1986 Ky. Acts ch. 59, sec. 1, effective July 15, 1986. -- Created 1984 Ky. Acts ch. 324, sec. 40, effective July 13, 1984.

**Formerly codified as** KRS 287.013.

**Legislative Research Commission Note** (7/12/2006). 2005 Ky. Acts ch. 123, relating to the creation and organization of the Environmental and Public Protection Cabinet, instructs the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in that Act. Such a correction has been made in this section.

**Legislative Research Commission Note** (7/12/2006). This section was amended in 2006 Ky. Acts ch. 183. In that same session, 2006 Ky. Acts ch. 247, sec. 38 required that all sections of KRS Chapters 287, 288, 290, 291, 294, 366, 366A, and 368 be renumbered as sections of a single KRS chapter entitled the "Kentucky Financial Services Code." Therefore, the Statute Reviser, acting under KRS 7.136(1), has changed the number of this section and codified it as a new section of KRS Chapter 186.

**Legislative Research Commission Note** (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.